

## Exhibit 300: Capital Asset Plan and Business Case Summary

### Part I: Summary Information And Justification (All Capital Assets)

#### Section A: Overview

1. **Date of Submission:** 2011-02-28

2. **Agency:** 009

3. **Bureau:** 38

4. **Name of this Investment:** CMS Encounter Data

5. **Unique Project (Investment) Identifier (UPI):** 009-38-01-02-01-2000-00

6. **What kind of investment will this be in FY 2012?:** Full Acquisition

- Planning
- Full Acquisition
- Operations and Maintenance
- Mixed Life Cycle
- Multi-Agency Collaboration

7. **What was the first budget year this investment was submitted to OMB?** FY2011

8.

- a. **Provide a brief summary of the investment and justification, including a brief description of how this closes in part or in whole an identified agency performance gap, specific accomplishments expected by the budget year and the related benefit to the mission, and the primary beneficiary(ies) of the investment.**

CMS is required to risk adjust payments to Medicare Advantage (MA) plans for each of the more than 11 million beneficiaries enrolled in MA. The current risk adjustment methodology determines risk score coefficients for MA enrollees based on age, sex, disability, institutional status, and other factors; and then adjusts the monthly payments to the plans accordingly. Since CMS doesn't collect MA enrollees' expenditure data, it has been establishing the risk coefficients based on Fee-For-Service (FFS) data. Thus, coefficients used for payment are not the same as those that would be calculated if CMS used MA-based cost and diagnostic data. MA plans do not report diagnoses in the same patterns as FFS providers, thus MA scores are overstated and plans are overpaid. Without data on the full range of services MA enrollees receive, CMS is also limited in its ability to review plan bids and conduct comparative effectiveness research benefits. FY 2009 rule (73 FR 48650) reinstated CMS' authority to collect data from MA plans and now enables CMS to collect data for each MA enrollee's encounter. This project will collect this MA beneficiary per-visit encounter data, and will require editing, storing, and pricing of the data. The data will enable analysis of health care utilization for all MA enrollees, which will result in more accurate risk adjustment and payment to plans, and enable service utilization and quality comparisons across the original Medicare and MA sectors. In FY 2010, we will gather the business and system requirements, complete design for data collection, editing, and storage, and initiate development. In FY 2011, identification of business and system requirements for the pricing component will be completed, and design initiated. We will also complete development, testing and validation for encounter data processing. The pricing processors will be developed and tested; and we will begin gathering requirements for the final component, the integration of the new encounter data into the risk adjustment reporting tool. In FY 2012 the Encounter Data Processing system will collect MA encounter data. The new risk coefficients will more accurately reflect the demographics, patterns of care, and the predicted costs of diseases for MA enrollees. This will result in more accurate payments to plans, and enable value-based purchasing initiatives-thus supporting the HHS Objective 1.3-Improve health care quality, safety, cost and value.

- b. **Provide any links to relevant websites that would be useful to gain additional information on the**

investment including links to GAO and IG reports.

Title	Link
NONE	

9.

- a. Provide the date of the Agency's Executive/Investment Committee approval of this investment.  
2010-04-30
- b. Provide the date of the most recent or planned approved project charter. 2010-01-22

10. Contact information?

- a. Program/Project Manager Name: \*  
Phone Number: \*  
Email: \*
- b. Business Function Owner Name (i.e. Executive Agent or Investment Owner): Sean Creighton  
Phone Number: \*  
Email: \*

11. What project management qualifications does the Project Manager have? (choose only one per FAC-P/PM or DAWIA): Project manager has been validated according to FAC-P/PM or DAWIA criteria as qualified for this investment.

- Project manager has been validated according to FAC-P/PM or DAWIA criteria as qualified for this investment.
- Project manager qualifications according to FAC-P/PM or DAWIA criteria is under review for this investment.
- Project manager assigned to investment, but does not meet requirements according to FAC-P/PM or DAWIA criteria.
- Project manager assigned but qualification status review has not yet started.
- No project manager has yet been assigned to this investment.

## Section B: Summary of Funding (Budget Authority for Capital Assets)

1.

Table I.B.1: Summary of Funding

(In millions of dollars)

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

	PY-1 and earlier	PY 2010	CY 2011 (CY Continuing Resolution)	BY 2012	BY+1 2013	BY+2 2014	BY+3 2015	BY+4 and beyond	Total
Planning:	*	*	*	*	*	*	*	*	*
Acquisition:	*	*	*	*	*	*	*	*	*
Planning & Acquisition Government FTE Costs	*	*	*	*	*	*	*	*	*
Subtotal Planning & Acquisition(DME):	*	*	*	*	*	*	*	*	*
Operations & Maintenance:	*	*	*	*	*	*	*	*	*
Disposition Costs (optional):	*	*	*	*	*	*	*	*	*
Operations, Maintenance, Disposition Government FTE Costs	*	*	*	*	*	*	*	*	*
Subtotal O&M and Disposition Costs (SS):	*	*	*	*	*	*	*	*	*
TOTAL FTE Costs	*	*	*	*	*	*	*	*	*
TOTAL (not including FTE costs):	*	*	*	*	*	*	*	*	*
TOTAL (including FTE costs):	*	*	*	*	*	*	*	*	*
Number of FTE represented by	*	*	*	*	*	*	*	*	*

**Table I.B.1: Summary of Funding**  
**(In millions of dollars)**

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

	PY-1 and earlier	PY 2010	CY 2011 (CY Continuing Resolution)	BY 2012	BY+1 2013	BY+2 2014	BY+3 2015	BY+4 and beyond	Total
Costs:									

2. Insert the number of years covered in the column “PY-1 and earlier”:

3. Insert the number of years covered in the column “BY+4 and beyond”: \*

4. If the summary of funding has changed from the FY 2011 President’s Budget request, briefly explain those changes:

\*

## Section C: Acquisition/Contract Strategy (All Capital Assets)

1.

Table I.C.1 Contracts Table

Contract Status	Contracting Agency ID	Procurement Instrument Identifier (PIID)	Indefinite Delivery Vehicle (IDV) Reference ID	Solicitation ID	Alternative financing	EVM Required	Ultimate Contract Value (M)	Type of Contract/Task Order (Pricing)	Is the contract a Performance Based Service Acquisition (PBSA)?	Effective date	Actual or expected End Date of Contract/Task Order	Extent Competed	Short description of acquisition
Awarded	7530	HHSM500200900057G			*	*	\$1.5	Cost Plus Fixed Fee	Y	2009-09-30	2012-07-31		
Awarded	7530	GS00F0026M			*	*	\$1.6	Cost Plus Fixed Fee	Y	2010-08-31	2013-08-31		
Awarded	7530	GS35F4052G			*	*	\$2.3	Cost Plus Fixed Fee	Y	2010-09-01	2015-08-31		
Awarded	7530	GS10F0216M			*	*	\$13.6	Cost Plus Fixed Fee	Y	2010-09-30	2015-09-30		
Awarded	7530	HHSM500200800329G			*	*	\$12.2	Cost Plus Fixed Fee	Y	2010-10-01	2015-08-31		

2. If earned value is not required or will not be a contract requirement for any of the contracts or task orders above, explain why:

\*

3.

a. Has an Acquisition Plan been developed? If yes, please answer the questions that follow \*

b. Does the Acquisition Plan reflect the requirements of FAR Subpart 7.1 \*

c. Was the Acquisition Plan approved in accordance with agency requirements \*

d.If "yes," enter the date of approval? \*

e.Is the acquisition plan consistent with your agency Strategic Sustainability Performance Plan? \*

f.Does the acquisition plan meet the requirements of EOs 13423 and 13514? \*

g.If an Acquisition Plan has not been developed, provide a brief explanation.

\*

## Part II: IT Capital Investments

### Section A: General

1.
  - a. Confirm that the IT Program/Project manager has the following competencies: configuration management, data management, information management, information resources strategy and planning, information systems/network security, IT architecture, IT performance assessment, infrastructure design, systems integration, systems life cycle, technology awareness, and capital planning and investment control. yes
  - b. If not, confirm that the PM has a development plan to achieve competencies either by direct experience or education.
  
2. Describe the progress of evaluating cloud computing alternatives for service delivery to support this investment. this investment resides in the baltimore data center. this investment is impacted by virtualization activities as cms shifts to more efficient computing platforms and technologies, reducing the overall energy usage and footprint of the bdc.
  
3. Provide the date of the most recent or planned Quality Assurance Plan 2012-07-01
  
4.
  - a. Provide the UPI of all other investments that have a significant dependency on the successful implementation of this investment.
  - b. If this investment is significantly dependent on the successful implementation of another investment(s), please provide the UPI(s). 009-38-01-02-01-2110-00,009-38-02-00-01-1150-00
  
5. An Alternatives Analysis must be conducted for all Major Investments with Planning and Acquisition (DME) activities and evaluate the costs and benefits of at least three alternatives and the status quo. The details of the analysis must be available to OMB upon request. Provide the date of the most recent or planned alternatives analysis for this investment. 2011-01-28
  
6. Risks must be actively managed throughout the lifecycle of the investment. The Risk Management Plan and risk register must be available to OMB upon request. Provide the date that the risk register was last updated. 2010-01-19

## Section B: Cost and Schedule Performance

Table II.B.1. Comparison of Actual Work Completed and Actual Costs to Current Approved Baseline:

Description of Activity	DME or SS	Agency EA Transition Plan Milestone Identifier	Planned Cost (\$M)	Actual Cost (\$M)	Planned Start Date	Actual Start Date	Planned Completion Date	Actual Completion Date	Planned Percent Complete	Actual Percent Complete
2010 GVT admin oversight	DME	*	\$0.8	\$0.8	2009-08-01	2009-08-01	2010-09-30	2010-09-30	99.99%	99.99%
2010 RAS Encounter Data Design and Development	DME	*	\$7.8	\$0.0	2009-08-01		2010-10-31		0.00%	0.00%
2010 Risk Adjustment Model Encounter Data Planning	DME	*	\$0.2	\$0.2	2009-08-13	2009-08-05	2010-08-25	2010-08-25	99.99%	99.99%
2010 Encounter Data Program Support	DME	*	\$1.8	\$1.8	2009-09-15	2009-09-15	2010-07-31	2010-07-31	99.99%	99.99%
2010 FERAS Encounter Data Design and Development	DME	*	\$0.3		2009-09-30		2010-07-31		0.00%	0.00%
2011 FERAS Encounter Data Development and Implimentation	DME	*	\$0.6	\$0.5	2010-08-01	2010-08-01	2011-07-31		82.69%	82.66%
2011 Training	DME	*	\$2.0		2010-09-01		2011-09-30		0.00%	0.00%
2011 System Testing	DME	*	\$3.5		2010-09-01		2011-09-30		0.00%	0.00%
2011 RAS ReportingTool Encounter Data Business requirments	DME	*	\$0.8		2010-09-01		2011-09-30		0.00%	0.00%
2011 RAS Reporting Tool Encounter Data Design and Dev	DME	*	\$2.0		2010-09-01		2011-09-30		0.00%	0.00%



Table II.B.1. Comparison of Actual Work Completed and Actual Costs to Current Approved Baseline:

Description of Activity	DME or SS	Agency EA Transition Plan Milestone Identifier	Planned Cost (\$M)	Actual Cost (\$M)	Planned Start Date	Actual Start Date	Planned Completion Date	Actual Completion Date	Planned Percent Complete	Actual Percent Complete
2011 Documentation	DME	*	\$0.5		2010-09-01		2011-09-30		0.00%	0.00%
2011 User Support and Transitioning	DME	*	\$1.5		2010-09-01		2011-09-30		0.00%	0.00%
2011 Encounter Data Program Support	DME	*	\$1.8	\$1.2	2010-09-15	2010-09-15	2011-09-14		67.31%	67.28%
2011 Risk Adjustment Model Encounter Data Design	DME	*	\$1.0		2010-09-15		2011-09-14		0.00%	0.00%
2011 GVT admin oversight	DME	*	\$0.8	\$0.5	2010-10-01	2010-10-01	2011-09-30		63.46%	63.43%
2011 RAS Encounter Data Implimentation	DME	*	\$13.4		2010-11-01		2011-10-31		0.00%	0.00%
2012 FERAS Encounter Data Implimentation	DME	*	\$0.7		2011-09-01		2012-09-30		0.00%	0.00%
2012 RAS Encounter Data Implimentation	DME	*	\$7.3		2011-09-01		2012-06-01		0.00%	0.00%
2012 System testing	DME	*	\$2.5		2011-09-01		2012-09-30		0.00%	0.00%
2012 Training	DME	*	\$2.2		2011-09-01		2012-09-30		0.00%	0.00%
2012 Risk Adjustment Model Encounter Data Development	DME	*	\$1.0		2011-09-01		2012-09-30		0.00%	0.00%
2012 RAS Reporting Tool Encounter Data Business requirements	DME	*	\$0.8		2011-09-01		2012-09-30		0.00%	0.00%

Table II.B.1. Comparison of Actual Work Completed and Actual Costs to Current Approved Baseline:

Description of Activity	DME or SS	Agency EA Transition Plan Milestone Identifier	Planned Cost (\$M)	Actual Cost (\$M)	Planned Start Date	Actual Start Date	Planned Completion Date	Actual Completion Date	Planned Percent Complete	Actual Percent Complete
2012 RAS Reporting Tool Encounter Data Design and Dev	DME	*	\$2.2		2011-09-01		2012-09-30		0.00%	0.00%
2012 Documentation	DME	*	\$0.5		2011-09-01		2012-09-30		0.00%	0.00%
2012 User Support and Transitioning	DME	*	\$3.0		2011-09-01		2012-09-30		0.00%	0.00%
2012 GVT admin oversight	DME	*	\$0.9		2011-09-01		2012-09-30		0.00%	0.00%
2012 Risk Adjustment Model Encounter Data Testing	DME	*	\$0.8		2011-09-30		2012-09-30		0.00%	0.00%
2012 RAS Encounter Data ops	SS	*	*	*	2012-06-01	*	2012-09-30	*	*	*
2013 RAS Encounter Data op	SS	*	*	*	2012-09-01	*	2013-09-30	*	*	*
2013 FERAS Encounter Data op	SS	*	*	*	2012-09-01	*	2013-09-30	*	*	*
2013 RAS Reporting Tool Encounter Testing	DME	*	*	*	2012-09-01	*	2013-09-30	*	*	*
2013 RAS Reporting Tool Encounter Data Design and Dev	DME	*	*	*	2012-09-01	*	2013-09-30	*	*	*
2013 User Support and Transitioning	DME	*	*	*	2012-09-01	*	2013-09-30	*	*	*
2013 Risk	DME	*	*	*	2012-09-01	*	2013-09-30	*	*	*

Table II.B.1. Comparison of Actual Work Completed and Actual Costs to Current Approved Baseline:

Description of Activity	DME or SS	Agency EA Transition Plan Milestone Identifier	Planned Cost (\$M)	Actual Cost (\$M)	Planned Start Date	Actual Start Date	Planned Completion Date	Actual Completion Date	Planned Percent Complete	Actual Percent Complete
Adjustment Model Encounter Data Development										
2013 Risk Adjustment Model Encounter Data Testing	DME	*	*	*	2012-09-01	*	2013-09-30	*	*	*
2013 Testing	DME	*	*	*	2012-09-01	*	2013-09-30	*	*	*
2013 Documentation	DME	*	*	*	2012-09-01	*	2013-09-30	*	*	*
2013 Training	SS	*	*	*	2012-09-01	*	2013-09-30	*	*	*
2013 GVT admin oversight	DME	*	*	*	2012-09-01	*	2013-09-30	*	*	*
2014 RAS Encounter Data op	SS	*	*	*	2013-09-01	*	2014-09-01	*	*	*
2014 FERAS Encounter Data op	SS	*	*	*	2013-09-01	*	2014-09-30	*	*	*
2014 RAS Reporting Tool Encounter Data Testing and Validation	DME	*	*	*	2013-09-01	*	2014-09-30	*	*	*
2014 RAS Reporting Tool Encounter Data Development	DME	*	*	*	2013-09-01	*	2014-09-30	*	*	*
2014 User Support	SS	*	*	*	2013-09-01	*	2014-09-30	*	*	*
2014 Risk Adjustment Model Encounter Data Development	DME	*	*	*	2013-09-01	*	2014-09-30	*	*	*

Table II.B.1. Comparison of Actual Work Completed and Actual Costs to Current Approved Baseline:

Description of Activity	DME or SS	Agency EA Transition Plan Milestone Identifier	Planned Cost (\$M)	Actual Cost (\$M)	Planned Start Date	Actual Start Date	Planned Completion Date	Actual Completion Date	Planned Percent Complete	Actual Percent Complete
2014 Risk Adjustment Model Encounter Data Testing	DME	*	*	*	2013-09-01	*	2014-09-30	*	*	*
2014 RAS Reporting Tool testing	SS	*	*	*	2013-09-01	*	2014-09-30	*	*	*
2014 Documentation	SS	*	*	*	2013-09-01	*	2014-09-30	*	*	*
2014 Training	SS	*	*	*	2013-09-01	*	2014-09-30	*	*	*
2014 GVT admin oversight	DME	*	*	*	2013-09-01	*	2014-09-30	*	*	*
2015 RAS Encounter Data op	SS	*	*	*	2014-09-01	*	2015-09-30	*	*	*
2015 FERAS Encounter Data op	SS	*	*	*	2014-09-01	*	2015-09-30	*	*	*
2015 Training	SS	*	*	*	2014-09-01	*	2015-09-30	*	*	*
2015 Change management testing	SS	*	*	*	2014-09-01	*	2015-09-30	*	*	*
2015 RAS Reporting Tool Encounter Data ops	SS	*	*	*	2014-09-01	*	2015-09-30	*	*	*
2015 User Support	SS	*	*	*	2014-09-01	*	2015-09-30	*	*	*
2015 Risk Adjustment Model Encounter Data op	SS	*	*	*	2014-09-01	*	2015-09-30	*	*	*
2015 Risk Adjustment Model Encounter Data Change	SS	*	*	*	2014-09-01	*	2015-09-30	*	*	*

Table II.B.1. Comparison of Actual Work Completed and Actual Costs to Current Approved Baseline:

Description of Activity	DME or SS	Agency EA Transition Plan Milestone Identifier	Planned Cost (\$M)	Actual Cost (\$M)	Planned Start Date	Actual Start Date	Planned Completion Date	Actual Completion Date	Planned Percent Complete	Actual Percent Complete
Management										
2015 RAS Reporting Tool Encounter Data Change Management Testing	SS	*	*	*	2014-09-01	*	2015-09-30	*	*	*
2015 Documentation	SS	*	*	*	2014-09-01	*	2015-09-30	*	*	*
2015 GVT admin oversight	SS	*	*	*	2014-09-01	*	2015-09-30	*	*	*

2. If the investment cost, schedule, or performance variances are not within 10 percent of the current baseline, provide a complete analysis of the reasons for the variances, the corrective actions to be taken, and the most likely estimate at completion.

3. For mixed lifecycle or operations and maintenance investments an Operational Analysis must be performed annually. Operational analysis may identify the need to redesign or modify an asset by identifying previously undetected faults in design, construction, or installation/integration, highlighting whether actual operation and maintenance costs vary significantly from budgeted costs, or documenting that the asset is failing to meet program requirements. The details of the analysis must be available to OMB upon request. Insert the date of the most recent or planned operational analysis.

4. Did the Operational analysis cover all 4 areas of analysis: Customer Results, Strategic and Business Results, Financial Performance, and Innovation?

Section C: Financial Management Systems

Table II.C.1: Financial Management Systems			
System(s) Name	System acronym	Type of Financial System	BY Funding
*	*	*	*

Section D: Multi-Agency Collaboration Oversight (For Multi-Agency Collaborations only)

Table II.D.1. Customer Table:	
Customer Agency	Joint exhibit approval date
NONE	

Table II.D.2. Shared Service Providers		
Shared Service Provider (Agency)	Shared Service Asset Title	Shared Service Provider Exhibit 53 UPI (BY 2011)
*	*	*

Table II.D.3. For IT Investments, Partner Funding Strategies (\$millions):							
Partner Agency	Partner exhibit 53 UPI (BY 2012)	CY Monetary Contribution	CY “In-Kind” Contribution	CY Fee-for-Service	BY Monetary Contribution	BY “In-Kind” Contribution	BY Fee-for-Service
NONE							

Table II.D.4. Legacy Systems Being Replaced		
Name of the Legacy Investment of Systems	Current UPI	Date of the System Retirement
*	*	*

## Section E: Performance Information

Table I.E.1a. Performance Metric Attributes

Measurement Area (For IT Assets)	Measurement Grouping (For IT Assets)	Measurement Indicator	Reporting Frequency	Unit of Measure	Performance Measure Direction	Baseline	Year Baseline Established for this measure (Origination Date)
Mission and Business Results	Health Care Administration	% legislative requirements met.	quarterly	% of requirements	Increase	10%	2009-09-01
			Fiscal Year	Target	Actual Results	Target "Met" or "Not Met"	Last Updated
			2010	50%	50	Met	2010-10-29
			2011	60%	TBD		2010-09-15
			2012	70%	TBD		2010-09-15
			2013	80%	TBD		2010-09-15
			2014	90%	TBD		2010-09-15
			2015	100%	TBD		2010-09-15
Processes and Activities	Knowledge Management	% of coordination across CMS FFS payment systems	quarterly	% of coordination	Increase	0%	2009-09-01
			Fiscal Year	Target	Actual Results	Target "Met" or "Not Met"	Last Updated
			2010	60%	60	Met	2010-10-29
			2011	95%	TBD		2010-09-15



Customer Results	Accuracy of Service or Product Delivered	% of Encounter Claims rejected.	quarterly	% of rejections	Increase	TBD	2009-09-01
			Fiscal Year	Target	Actual Results	Target "Met" or "Not Met"	Last Updated
			2012	20%	TBD		2010-09-15
			2013	10%	TBD		2010-09-15
			2014	5%	TBD		2010-09-15
			2015	5%	TBD		2010-09-15
Technology	Data Reliability and Quality	% of encounter data elements with SOR that have been identified	quarterly	% of encounter data elements with SOR	Increase	0%	2009-09-01
			Fiscal Year	Target	Actual Results	Target "Met" or "Not Met"	Last Updated
			2010	75%	75	Met	2010-10-29
			2011	99%	TBD		2010-09-15
Customer Results	Customer Training	% of MA Plans contacted for outreach	quarterly	% of MA Plans contacted	Increase	0%	2009-09-01
			Fiscal Year	Target	Actual Results	Target "Met" or "Not Met"	Last Updated
			2010	50%	50	Met	2010-10-29
			2011	100%	TBD		2010-09-15
Processes and Activities	Errors	% of plan submissions with informational error codes.	quarterly	% of plan submissions with errors	Increase	TBD	2009-09-01

Technology

Availability

% of time Support  
Website available to  
plans.

Fiscal Year	Target	Actual Results	Target "Met" or "Not Met"	Last Updated
2012	20%	TBD		2010-09-15
2013	10%	TBD		2010-09-15
2014	5%	TBD		2010-09-15
2015	5%	TBD		2010-09-15
quarterly	% of time support	Increase	TBD	2009-09-01
Fiscal Year	Target	Actual Results	Target "Met" or "Not Met"	Last Updated
2012	95%	TBD		2010-09-15
2013	95%	TBD		2010-09-15
2014	95%	TBD		2010-09-15
2015	95%	TBD		2010-09-15

\* - Indicates data is redacted.